

in section 923(b) of such Code, as so in effect) for any period of 5 consecutive taxable years beginning after December 31, 2001, such FSC shall cease to be treated as a FSC for purposes of such Code for any taxable year beginning after such period.

(C) **TRANSITION PERIOD FOR EXISTING FOREIGN SALES CORPORATIONS.**—

(1) **IN GENERAL.**—In the case of a FSC (as so defined) in existence on September 30, 2000, and at all times thereafter, the amendments made by this Act shall not apply to any transaction in the ordinary course of trade or business involving a FSC which occurs—

(A) before January 1, 2002; or

(B) after December 31, 2001, pursuant to a binding contract—

(i) which is between the FSC (or any related person) and any person which is not a related person; and

(ii) which is in effect on September 30, 2000, and at all times thereafter.

For purposes of this paragraph, a binding contract shall include a purchase option, renewal option, or replacement option which is included in such contract and which is enforceable against the seller or lessor.

(2) **ELECTION TO HAVE AMENDMENTS APPLY EARLIER.**—A taxpayer may elect to have the amendments made by this Act apply to any transaction by a FSC or any related person to which such amendments would apply but for the application of paragraph (1). Such election shall be effective for the taxable year for which made and all subsequent taxable years, and, once made, may be revoked only with the consent of the Secretary of the Treasury.

(3) **EXCEPTION FOR OLD EARNINGS AND PROFITS OF CERTAIN CORPORATIONS.**—

(A) **IN GENERAL.**—In the case of a foreign corporation to which this paragraph applies—

(i) earnings and profits of such corporation accumulated in taxable years ending before October 1, 2000, shall not be included in the gross income of the persons holding stock in such corporation by reason of section 943(e)(4)(B)(i), and

(ii) rules similar to the rules of clauses (ii), (iii), and (iv) of section 953(d)(4)(B) shall apply with respect to such earnings and profits.

The preceding sentence shall not apply to earnings and profits acquired in a transaction after September 30, 2000, to which section 381 applies unless the distributor or transferor corporation was immediately before the transaction a foreign corporation to which this paragraph applies.

(B) **EXISTING FSCS.**—This paragraph shall apply to any controlled foreign corporation (as defined in section 957) if—

(i) such corporation is a FSC (as so defined) in existence on September 30, 2000,

(ii) such corporation is eligible to make the election under section 943(e) by reason of being described in paragraph (2)(B) of such section, and

(iii) such corporation makes such election not later than for its first taxable year beginning after December 31, 2001.

(C) **OTHER CORPORATIONS.**—This paragraph shall apply to any controlled foreign corporation (as defined in section 957), and such corporation shall (notwithstanding any provision of section 943(e)) be treated as an applicable foreign corporation for purposes of section 943(e), if—

(i) such corporation is in existence on September 30, 2000,

(ii) as of such date, such corporation is wholly owned (directly or indirectly) by a domestic corporation (determined without regard to any election under section 943(e)),

(iii) for each of the 3 taxable years preceding the first taxable year to which the election under section 943(e) by such controlled foreign corporation applies—

(I) all of the gross income of such corporation is subpart F income (as defined in section 952), including by reason of section 954(b)(3)(B), and

(II) in the ordinary course of such corporation's trade or business, such corporation regularly sold (or paid commissions) to a FSC which on September 30, 2000, was a related person to such corporation,

(iv) such corporation has never made an election under section 922(a)(2) (as in effect before the date of the enactment of this paragraph) to be treated as a FSC, and

(v) such corporation makes the election under section 943(e) not later than for its first taxable year beginning after December 31, 2001.

The preceding sentence shall cease to apply as of the date that the domestic corporation referred to in clause (ii) ceases to wholly own (directly or indirectly) such controlled foreign corporation.

(4) **RELATED PERSON.**—For purposes of this subsection, the term "related person" has the meaning given to such term by section 943(b)(3).

(5) **SECTION REFERENCES.**—Except as otherwise expressly provided, any reference in this subsection to a section or other provision shall be considered to be a reference to a section or other provision of the Internal Revenue Code of 1986, as amended by this Act.

(d) **SPECIAL RULES RELATING TO LEASING TRANSACTIONS.**—

(1) **SALES INCOME.**—If foreign trade income in connection with the lease or rental of property described in section 927(a)(1)(B) of such Code (as in effect before the amendments made by this Act) is treated as exempt foreign trade income for purposes of section 921(a) of such Code (as so in effect), such property shall be treated as property described in section 941(c)(1)(B) of such Code (as added by this Act) for purposes of applying section 941(c)(2) of such Code (as so added) to any subsequent transaction involving such property to which the amendments made by this Act apply.

(2) **LIMITATION ON USE OF GROSS RECEIPTS METHOD.**—If any person computed its foreign trade income from any transaction with respect to any property on the basis of a transfer price determined under the method described in section 925(a)(1) of such Code (as in effect before the amendments made by this Act), then the qualifying foreign trade income (as defined in section 941(a) of such Code, as in effect after such amendment) of such person (or any related person) with respect to any other transaction involving such property (and to which the amendments made by this Act apply) shall be zero.

**CONTINUING APPROPRIATIONS FY 2000**

**LOTT AMENDMENT NO. 4357**

Mr. LOTT proposed an amendment to the bill (H.J. Res. 84) making further continuing appropriations for the fiscal year 2000, and for other purposes; as follows:

Strike all after the resolving clause and insert the following:

That Public Law 106-275, is further amended by striking the date specified in section 106(c) and inserting "November 14, 2000".

Amend the title so as to read: "Making further continuing appropriations for the fiscal year 2001, and for other purposes."

**WILLIAM KENZO NAKAMURA  
UNITED STATES COURTHOUSE**

**HERBERT H. BATEMAN EDUCATIONAL AND ADMINISTRATIVE CENTER**

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that the Senate now proceed en bloc to the following bills which are at the desk: H.R. 5302; and, H.R. 5388.

The PRESIDING OFFICER. The clerk will report the bills by title.

The legislative clerk read as follows:

A bill (H.R. 5302) to designate the United States courthouse located at 1010 Fifth Avenue in Seattle, Washington as the "William Kenzo Nakamura United States Courthouse."

A bill (H.R. 5388) to designate a building proposed to be located within the boundaries of the Chincoteague National Wildlife Refuge as the "Herbert H. Bateman Educational and Administrative Center."

There being no objection, the Senate proceeded to consider the bills en bloc.

Mr. MURKOWSKI. Mr. President, I further ask unanimous consent that the bills be read the third time and passed, the motions to reconsider be laid upon the table, and any statements relating to any of these bills be printed in the RECORD, with the above occurring en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bills (H.R. 5302 and H.R. 5388) were read the third time and passed.

**GEORGE E. BROWN, JR., U.S.  
COURTHOUSE**

Mr. MURKOWSKI. Mr. President, on behalf of the leader, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 5110, which is at the desk.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 5110) to designate the U.S. Courthouse located at 3470 12th Street, Riverside, California as the "George E. Brown, Jr., U.S. Courthouse."

There being no objection, the Senate proceeded to consider the bill.

Mr. MURKOWSKI. Mr. President, I ask unanimous consent that the bill be read three times and passed, the motion to reconsider be laid upon the table, and that any statements relating thereto be printed in the RECORD, with no intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 5110) was read three times and passed.

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Mr. MURKOWSKI. Mr. President, I ask the Chair lay before the Senate a